

Summary: Post-Sandy Funder Briefing--Series II

Funder Briefing: #4

Date: September 30, 2013

Topic: NJ Department of Community Affairs Sandy Recovery Programs

Speaker: Stacy Bonnaffons, Assistant Commissioner - NJ Department of Community Affairs

HIGHLIGHTS

Hurricane Sandy 1-Year Anniversary events

- Robert Wood Johnson Foundation –Mental Health convening scheduled for October 18th
- NJ Future, Sustainable Jersey, and NJ Recovery Fund – conference & reception scheduled for October 29th
- NJ Performing Arts Center & Star Ledger – conference on Arts & Sandy Recovery scheduled for October 29th

[New Jersey Department of Community Affairs \(DCA\)](#) – Stacy Bonnaffons, Assistant Commissioner - NJ Department of Community Affairs

The DCA oversees the work of the Sandy recovery including:

- [Rehabilitation, Reconstruction, Elevation and Mitigation](#) (RREM) program
- [ReNew Jersey Stronger](#)
- Manages majority of federal funds being used to assist the state in recovering from Sandy. Funds come from [Community Development Block Grant Disaster Recovery](#) (CDBG-DR) from HUD

Overview:

- FEMA funds used for response, HUD funds used for recovery (\$1.825B in CDBG-DR federal funds)
- For CDBG-DR Funds to be released, HUD requires the State to submit an action plan, after a period of public comment, that contains an assessment of the damage, definition of the programs, the ways the State plans to develop those programs, and how they plan to disperse funds
 - State plan was submitted and detailed 17 recovery programs, all of which launched within first three months.
 - The first needs identified in the State's plan were:
 - Addressing housing needs for renters and homeowners
 - Addressing economic revitalization needs - with a focus on tourism-industries
- CDBG disbursement timeline: 2 year spending time; trying to get flexibility, but want to be strategic. Funds slated to end Sept. 30, 2017.
- All dollars have to be assigned to programs BEFORE CDBG-DR can draw down funds, which also requires public comment and incorporation of any recommendations from the public comment period. Action plan "Amendment" has to be developed before second tranche can be released to address what is different from the first tranche/request of CDBG-DR funds.
- Statistics: over 25,000 homes received minor damage; over 40,000 owner-occupied homes and 15,000 rental units sustained severe damage; huge loss of affordable rental units
- Programs for homeowners:

- \$180 million available for a resettlement program, targeted to at-risk communities along the shore, maximum \$10,000 grants offered for residents who sustained over \$8,000 in damage (this program is over subscribed). \$113 million of the \$180 million has been dispersed already. 60% funds set aside for Low to Moderate income individuals.
- Rental Repair Program-1000 landlords applied to receive up to \$50K per unit (1-7 units, max 25 units) for repairs, but must agree to make that unit affordable to a low/moderate income tenant.

Reconstruction, Rehabilitation, Elevation & Mitigation Program (RREM)

- Construction program - maximum \$150,000 grants to homeowners - state prioritized funds for low to moderate income homes *and* those most severely damaged (homes with damage costs over 50% of their tax-assessed value *and* those that also require elevation). This program is over subscribed. Max income level for a family to be eligible was capped at \$250,000.
 - 3,545 - preliminary awards issued and will continue to serve as many people as can be funded.
 - 8K households on waitlist to receive funds
- Gap Needs / Duplication of Benefits
 - Inspections contractors will assess properties, owners will meet with a housing advisor and discuss total development costs, and any duplication of benefits
 - Duplication of Benefits are strictly enforced by government and requires the State to look to any funds the individual has received for any like/similar development services the homeowner has received, such as money from the National Flood Insurance Program (NFIP), Homeowner insurance, Small Business Administration (SBA) loans, and FEMA funds for reconstruction for things like debris removal, starting rehab, etc.
 - Any money received would be deducted from the total CDBG money available to the homeowner.
 - E.g.: Total development cost is \$300K, and insurance reimbursement of \$50K would have to be subtracted, meaning total eligible unmet needs are \$250K. However, the CDBG grant is capped at \$150K, so the \$100K gap would be required to be covered by the owner. (Generally gaps are in the realm of \$20-\$25K, not \$100K.)
 - Additionally, the homeowners have to show that they have the funds to cover the rest of the cost to getting it to a livable standard AND for required Elevation after CDBG grant awarded
- **What funders can do:**
 - Effort to find funds that could be used toward covering gaps - currently in exploration with NJ Community Capital.
 - Potential partnerships to address needs if low or moderate income homeowners who didn't have insurance or who have a gap for some other reason
 - Planning initiatives -20 planning grants awarded in an effort to continue local government planning efforts that focus on resiliency. Funders can help with supporting planning and implementation.

Economic development programs

- Capital equipment losses and working capital for lost inventory
- Nonprofits are only eligible for construction money, not working capital funds

Beginning on the first Monday after Hurricane Sandy struck New Jersey, The Council of New Jersey Grantmakers began hosting weekly conference calls for grantmakers in-state and nationwide, facilitated by CNJG President Nina Stack, to discuss their response to Sandy and strategies facing NJ as a result of the storm. Each conference call briefing offered expert guest speakers who represented government agencies (FEMA, HUD, HHS, etc.), national philanthropic leaders, expert psychologists with experience in PTSD, planners and community redevelopment leaders, and representatives from NJ's Voluntary Organizations Active in Disaster, among others. The twenty-five audio files and written summaries are available at:

<http://cnjg.org/hurricane-sandy>